

ASSEMBLY, No. 3573

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 25, 2020

Sponsored by:

Assemblyman ERIC HOUGHTALING

District 11 (Monmouth)

SYNOPSIS

Restores State fiscal year 2011 reductions to Garden State Preservation Trust payments in lieu of taxes; appropriates \$3,400,000 to DCA.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning payments in lieu of taxes to municipalities from
2 the Garden State Preservation Trust, amending P.L.1999, c.152,
3 and making an appropriation.
4

5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*
7

8 1. Section 29 of P.L.1999, c.152 (C.13:8C-29) is amended to
9 read as follows:

10 29. a. (1) (a) To the end that municipalities may not suffer a
11 loss of taxes by reason of the acquisition and ownership by the State
12 of lands in fee simple for recreation and conservation purposes, or
13 the acquisition and ownership by qualifying tax exempt nonprofit
14 organizations of lands in fee simple for recreation and conservation
15 purposes that become certified exempt from property taxes pursuant
16 to P.L.1974, c.167 (C.54:4-3.63 et seq.) or similar laws, using
17 constitutionally dedicated moneys in whole or in part, the State
18 shall pay annually on October 1 to each municipality in which lands
19 are so acquired and owned, for a period of 13 years following an
20 acquisition the following amounts: in the first year a sum of money
21 equal to the tax last assessed and last paid by the taxpayer upon this
22 land and the improvements thereon for the taxable year immediately
23 prior to the time of its acquisition and thereafter the following
24 percentages of the amount paid in the first year: second year, 92%;
25 third year, 84%; fourth year, 76%; fifth year, 68%; sixth year, 60%;
26 seventh year, 52%; eighth year, 44%; ninth year, 36%; 10th year,
27 28%; 11th year, 20%; 12th year, 12%; 13th year, 4%.

28 (b) Notwithstanding the provisions of subparagraph (a) of this
29 paragraph to the contrary, any payment made pursuant to that
30 subparagraph shall be not less than the amount that would be paid
31 as provided pursuant to paragraph (2) of this subsection; provided,
32 however, that any payment made to a municipality pursuant to this
33 section shall not be less than the amount paid in State fiscal year
34 2010.

35 (2) After the 13th year, or sooner as provided pursuant to
36 subparagraph (b) of paragraph (1) of this subsection, the State shall
37 pay annually on October 1 to each municipality in which lands are
38 so acquired and owned the following amounts: \$2 per acre of lands
39 so acquired and owned for any municipality for which all lands
40 owned in fee simple by the State or by a qualifying tax exempt
41 nonprofit organization for recreation and conservation purposes
42 constitute less than 20% of the total land area of the municipality;
43 \$5 per acre of lands so acquired and owned for any municipality for
44 which all lands owned in fee simple by the State or by a qualifying
45 tax exempt nonprofit organization for recreation and conservation

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 purposes constitute at least 20% but less than 40% of the total land
2 area of the municipality; \$10 per acre of lands so acquired and
3 owned for any municipality for which all lands owned in fee simple
4 by the State or by a qualifying tax exempt nonprofit organization
5 for recreation and conservation purposes constitute at least 40% but
6 less than 60% of the total land area of the municipality; and \$20 per
7 acre of lands so acquired and owned for any municipality for which
8 all lands owned in fee simple by the State or by a qualifying tax
9 exempt nonprofit organization for recreation and conservation
10 purposes constitute at least 60% of the total land area of the
11 municipality.

12 b. In the event that land acquired by the State, a local
13 government unit, a qualifying tax exempt nonprofit organization, or
14 the Palisades Interstate Park Commission for recreation and
15 conservation purposes was assessed at an agricultural and
16 horticultural use valuation in accordance with provisions of the
17 "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et
18 seq.) at the time of its acquisition by the State, local government
19 unit, qualifying tax exempt nonprofit organization, or the Palisades
20 Interstate Park Commission, no roll-back tax pursuant to section 8
21 of P.L.1964, c.48 (C.54:4-23.8) shall be imposed as to this land nor
22 shall this roll-back tax be applicable in determining the annual
23 payments to be made pursuant to subsection a. of this section by the
24 State to the municipality in which this land is located.

25 c. Any payments made by the State pursuant to this section
26 shall be paid from the General Fund but not from constitutionally
27 dedicated moneys.

28 d. All sums of money received by the respective municipalities
29 as compensation for loss of tax revenue pursuant to this section
30 shall be applied to the same purposes as is the tax revenue from the
31 assessment and collection of taxes on real property of these
32 municipalities, and to accomplish this end the sums shall be
33 apportioned in the same manner as the general tax rate of the
34 municipality for the tax year preceding the year of receipt.

35 e. For the purposes of this section, lands owned in fee simple
36 by the State for recreation and conservation purposes shall mean
37 State parks and forests, as defined pursuant to section 3 of
38 P.L.1983, c.324 (C.13:1L-3), State wildlife management areas, and
39 any other lands owned in fee simple by the State and administered
40 by the Department of Environmental Protection for recreation and
41 conservation purposes.

42 (cf: P.L.2001, c.312, s.2)

43

44 2. Section 30 of P.L.1999, c.152 (C.13:8C-30) is amended to
45 read as follows:

46 30. a. With respect to lands acquired using any funding source
47 other than constitutionally dedicated moneys, whether prior to the

1 date of enactment of this act or thereafter, and owned in fee simple
2 by the State or by a qualifying tax exempt nonprofit organization,
3 and which lands are permanently preserved for recreation and
4 conservation purposes, the State shall pay annually on October 1 to
5 each municipality in which those lands are located the following
6 amounts: \$2 per acre of lands so acquired and owned for any
7 municipality for which all lands owned in fee simple by the State or
8 by a qualifying tax exempt nonprofit organization for recreation and
9 conservation purposes constitute less than 20% of the total land area
10 of the municipality; \$5 per acre of lands so acquired and owned for
11 any municipality for which all lands owned in fee simple by the
12 State or by a qualifying tax exempt nonprofit organization for
13 recreation and conservation purposes constitute at least 20% but
14 less than 40% of the total land area of the municipality; \$10 per
15 acre of lands so acquired and owned for any municipality for which
16 all lands owned in fee simple by the State or by a qualifying tax
17 exempt nonprofit organization for recreation and conservation
18 purposes constitute at least 40% but less than 60% of the total land
19 area of the municipality, and \$20 per acre of lands so acquired and
20 owned for any municipality for which all lands owned in fee simple
21 by the State or by a qualifying tax exempt nonprofit organization
22 for recreation and conservation purposes constitute at least 60% of
23 the total land area of the municipality; provided, however, that any
24 payment made to a municipality pursuant to this section shall not be
25 less than the amount paid in State fiscal year 2010.

26 b. In the event payments in lieu of taxes are due and payable
27 from the State on those lands pursuant to another law, and those
28 payments, if made by the State, would exceed those that would be
29 paid pursuant to this section, the payments shall be made in
30 accordance with the other law. In no case shall payments be made
31 to a municipality in compliance with both this section and any other
32 applicable law.

33 c. Any payments made by the State pursuant to this section
34 shall be paid from the General Fund but not from constitutionally
35 dedicated moneys.

36 d. All sums of money received by the respective municipalities
37 as compensation for loss of tax revenue pursuant to this section
38 shall be applied to the same purposes as is the tax revenue from the
39 assessment and collection of taxes on real property of these
40 municipalities, and to accomplish this end the sums shall be
41 apportioned in the same manner as the general tax rate of the
42 municipality for the tax year preceding the year of receipt.

43 e. For the purposes of this section, lands owned in fee simple
44 by the State for recreation and conservation purposes shall mean
45 State parks and forests, as defined pursuant to section 3 of
46 P.L.1983, c.324 (C.13:1L-3), State wildlife management areas, and
47 any other lands owned in fee simple by the State and administered

1 by the Department of Environmental Protection for recreation and
2 conservation purposes.

3 (cf: P.L.1999, c.152, s.30)

4
5 3. (New section) There is appropriated from the General Fund
6 to the Department of Community Affairs an amount not less than
7 \$3,400,000 for distribution to eligible municipalities as Open Space
8 Payments in Lieu of Taxes for lands acquired by the State and non-
9 profit organizations for recreation and conservation purposes,
10 subject to the approval of the Director of the Division of Budget
11 and Accounting. The amount distributed to each eligible
12 municipality shall be difference between the Open Space Payment
13 in Lieu of Taxes paid to that municipality in State fiscal year 2010
14 and the Open Space Payment in Lieu of Taxes paid to the
15 municipality in State fiscal year 2011.

16
17 4. This act shall take effect immediately.

18
19
20 STATEMENT

21
22 This bill would mandate the restoration of reductions to open
23 space payments in lieu of taxes (PILOT) provided to certain
24 municipalities pursuant the "Garden State Preservation Trust Act,"
25 P.L.1999, c.152 (C.13:8C-1 et seq.). Specifically, this bill requires
26 the State to pay annually each municipality an amount not less than
27 its PILOT in State fiscal year 2010. The State fiscal year 2011
28 appropriations act reduced the appropriation for this program by
29 one-third, from \$9.824 million to \$6.473 million. Payments to
30 municipalities that received less than \$5,000 in the previous fiscal
31 year were eliminated. These payments are made from the General
32 Fund and not from moneys constitutionally dedicated for the
33 purposes of the Garden State Preservation Trust. This bill
34 appropriates \$3.4 million from the General Fund to the Department
35 of Community Affairs to eligible municipalities as PILOTs.